

GOVERNMENT OF TELANGANA  
ABSTRACT

THE NIZAM SUGARS LIMITED – Quotations invited “to carry out an independent valuation of (3) Sugar units and (1) distillery unit of Nizam Deccan Sugars Limited’s assets and liabilities based on fair valuation” – Assignment of valuation/appraisal awarded to M/s.SBI Capital Markets Limited – Orders – Issued.

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INDUSTREIS & COMMERCE (IE,SUGAR & IFR) DEPARTMENT

G.O.Rt.No.204,

Dated:26-06-2015

Read the following:-

- 1) G.O.Ms.No.28, Industries & Commerce (IE,Sugar & IFR) Department, Dated:29-04-2015.
- 2) Government Letter No.268/IE,Sugar&IFR/2015, Dated:20-05-2015.

O R D E R:

In the reference 1<sup>st</sup> read above, Government have constituted a Secretaries Committee for recommending the modalities to annul the Joint Venture Agreement dated:28-08-2002 entered into between the Nizam Sugars Limited (NSL) and Delta Paper Mills (DPM) by paying reasonable compensation to take over of Joint Venture Company of Nizam Deccan Sugars Limited (NDSL).

2. In the reference 2<sup>nd</sup> read above, based on the decision of the Secretaries Committee, Government have called for quotations from the following (4) PSU Investment Banks to carry out an independent valuation of NDSL based on fair valuation and they were advised to submit the competitive quotations along with their credentials and experience of their organization in successfully completing similar works during last five financial years for Government, quasi Government organizations within 15 days from 20.5.2015.

1. IDBI Capital Markets Services Ltd.
2. BOB Capital Markets Ltd.
3. SBI Capital Markets Ltd.
4. PNB investment Services Ltd.

3. The following three investment banks have responded and submitted their quotations within the stipulated time:-

1. SBI Capital Markets Ltd.
2. IDBI Capital Markets Services Ltd.
3. PNB investment Services Ltd.,

4. On scrutiny, M/s.SBI Capital Markets and M/s.IDBI Capital Market Services Limited have quoted similar amount of Rs.20.00 lakhs and it is the lowest among the three bidders. As regards credentials and experience in successfully completing similar works during last 5 years for Government/Quasi Government Organizations is concerned, SBI Capital Markets has carried out similar works, including 20 sugar factories/units and 2 distilleries, apart from other number of works whereas IDBI Capital markets limited, has no similar assignments in the last five years and it has done other works when compared to SBI. M/s.PNB Investment Services have quoted abnormally high and they do not have experience in similar jobs.

[P.T.O.]

5. To take a view to decide to award the assignment of valuation/appraisal, both the lowest bidders i.e, M/s.IDBI Capital Market Services Ltd., and M/s. SBI Capital Markets Ltd., were invited for negotiations on 18.6.2015. As per the negotiations both the bidders submitted their revised bids, as detailed hereunder:

[Rs.in Lakhs]				
Sl.N o.	Name of the firm	First quoted amount	Negotiated amount	Remarks
1	M/s. IDBI Capital Services Limited.	20.00	20.00	Expressed their inability to reduce further
2	M/s. SBI Capital Markets Limited.	20.00	18.00	Reduced Rs. 2.00 lakhs

6. Keeping in view of the lowest quotation/bid and also in view of the vast experience of M/s.SBI Capital Markets Limited, in the similar field, Government have decided to assign the valuation/appraisal of (3) sugar units and (1) distillery unit of Nizam Deccan Sugars Limited (NDSL) to M/s.SBI Capital Markets Limited, with the quoted/negotiated amount of Rs.18.00 lakhs plus applicable taxes, subject to payment of 50% on the submission of draft valuation report and balance amount on submission of final valuation report within a period of (60) days from the date of award confirmation.

7. Accordingly, the Government hereby award the assignment of valuation/appraisal to M/s.SBI Capital Markets Limited "to carry out an independent valuation of (3) Sugar units and (1) distillery unit of Nizam Deccan Sugars Limited's assets and liabilities based on fair valuation", subject to the terms and conditions mentioned in para-(6) above and also the terms of reference specified in the annexure of the reference 2<sup>nd</sup> read above.

8. The Management of Nizam Deccan Sugars Limited shall cooperate to the agency of SBI Capital Markets Limited in carrying out the said assignments.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA]

ARVIND KUMAR  
SECRETARY TO GOVERNMENT & CIP

To  
The Vice President,  
Infrastructue Group, SBI Capital Markets Limited,  
202, Maker Tower 'E', Cuffe Parade, Mumbai-400005.

**Copy to:**

M/s. Nizam Deccan Sugars Limited, Jublee Hills, Hyderabad.  
The Managing Director, The Nizam Sugars Limited, Hyderabad.  
The Director of Sugar & Cane Commissioner, Hyderabad.  
The P.S. to Prl. Secretary to Hon'ble Chief Minister  
The P.S. to Hon'ble Minister for Industries, Sugar and H&T.  
The PS to Chief Secretary to Government, Telangana State, Hyderabad  
The PS to Special Chief Secretary to Government, Finance Department, Telangana State, Hyderabad.  
The PS to Principal Secretary to Government, Agriculture & Co-operation Department, Telangana State, Hyderabad.  
The P.S. to Secretary to Government & CIP, Ind & Com Dept.,  
The PS to Secretary, Legal Affairs, Law Department, Telangana State, Hyderabad.  
The Centre for Good Governance, Dr.MCR HRD Institute Campaus, Road No.25, Jubilee Hills, Hyderabad-500033.  
SF/SC.

//Forwarded :: By Order//

SECTION OFFICER